

MINUTES
LCWSD BOARD OF DIRECTOR'S MEETING
MARCH 15, 2016

PRESENT: President Marc Liechti, Directors Rex Niles, Roxanne Wadman, Jack Thomson and Jim Heim, and employees Rodney Olson, General Manager, and Beth Dotson, Secretary

ABSENT: None

President Liechti called the meeting to order at 2:00 p.m.

AGENDA: Agenda was amended to include the Edgewater RV Park under "Old Business". A motion was made by Director Niles to accept the amended agenda. Director Thomson seconded and motion carried.

APPROVAL OF MINUTES: The Minutes of the Board meeting on January 19, 2016 were reviewed. A motion was made by Director Heim to accept these Minutes. Director Thomson seconded and motion carried.

VISITORS: None

FINANCIAL REPORT

The Combined Balance Sheet shows current assets at \$2,213,047.78, fixed assets at \$9,035,247.44, total liabilities at \$872,962.27, and total equity at \$10,394,320.95 for a total liabilities and equity balance of \$11,267,283.22.

The Income Statement shows Water Fund total revenue in February to be \$16,427.47, expenses to be \$27,967.85, and total other revenue to be \$222.76 resulting in net income for the Water Fund of -\$11,317.62.

The Income Statement shows Sewer Fund total revenue in February to be \$38,845.71, expenses to be \$40,928.10, and total other revenue to be \$1,918.98, resulting in net income for the Sewer Fund of -\$163.41.

A motion was made by Director Wadman to approve the financial report. Director Niles seconded and motion carried.

BILL APPROVAL: Accounts payable for January/February were reviewed. Expenses of note included:

- Nicole Noonan, Auditor – 2015 Financial Audit
- USA Bluebook – Confined Space Sniffer
- APEC – Submittal to DEQ for the new South 80 well
- A.J.'s Custom Embroidery – Hats
- MARC – Lift station degreaser
- APEC – Submittal to DEQ for smaller pumps at L/S 2

The Capital One credit card statements for January and February were also reviewed.

Director Wadman made a motion to approve the bills. Director Niles seconded and motion carried.

DELINQUENT REPORT: Progress continues in collecting payment from delinquent accounts.

OLD BUSINESS:

White Oak L/S – issues with alarms continues. The alarms trigger between 4:00 and 5:00 pm. Upon inspection the pit is full of foam. We will continue to investigate.

A leak on the 3" sewer force main was discovered where the Southside Town Homes' line joins the force main. Leak was repaired on March 11, 2016.

South Eighty Water System – APEC submitted the well plan to the DEQ. There is one undeveloped lot of concern. Should the lot be developed they would need to connect to the public sewer line. As the Subdivision plan was written requiring a septic system, a rewrite of the subdivision plan will be required stating the lot would become a public water/sewer user. The rewrite will require the signature of the lot owner. LCWSD will initiate contact with the lot owner.

Lift Station 2 (near Somers) – APEC submitted a plan to the DEQ to reduce the two 20-HP pumps to two 3-HP pumps. There may be a Flathead Electric rebate due to the new control-panel and smaller pumps.

Lift Station 11 (near Volunteer Park) - Three options were considered to address the issue with the aging pumps.

1. Replace the 2 3-HP pumps with 2 3-HP pumps – approximate cost is \$13,000.
2. Replace the 2 3-HP pumps with 2 3-HP pumps and a new control panel – approximate cost is \$26,000.
3. Replace the 2 3-HP pumps with 2 5-HP pumps and a new control panel – approximate cost is \$31,000.

A motion was made by Director Wadman to accept Option 3 (5 HP pumps and a new control panel). Director Heim seconded and motion carried.

Edgewater RV Park – there continues to be a problem with inflow (estimated at 2 to 3 gallons per minute). Owner did have the lines cameraed in 2015 and did address problems encountered at that time. The lines need to be re-cameraed this year with an LCWSD representative present and a plan developed to correct problem(s). If owner is unwilling, they will be charged for water usage based on winter time steady flow per month. If capacity becomes an issue, service will be terminated.

NEW BUSINESS:

Montana Short Term Investment Pool (STIP)

A motion was made by Director Niles to close the STIP account and transfer the balance to the sewer money market account at Flathead Bank. Director Thomson seconded and motion carried.

Grinder Pumps

Three (3) grinder pumps were replaced in 2015; six (6) more need to be replaced.

A new house is under construction on Caroline Point near Grinder Pump 7. As the construction comes within 1 foot of pump, the property owner has agreed to share the costs of moving the pump including engineering and installation – approximately \$4,000.

Estimated cost for the five (5) remaining pumps to be replaced is \$15,500 including upgrade kit, control panels, and labor.

A motion was made by Director Heim to purchase and install five (5) grinder pumps. Director Wadman seconded and motion carried.

Lighting

Lighting in the LCWSD front office, back office, and shop is currently being upgraded to high efficiency LED lights. Total cost of the project is \$7,800. Flathead Electric will provide a rebate of \$2,500. The increased lighting efficiency will result in the lights paying for themselves in about three years.

The Board requested that heating/air conditioning options be investigated for both the front and back offices.

Rate Increase

Rodney Olson presented the 2014 Montana Statewide Water and Wastewater Study. A discussion was initiated on increasing water rates in Troutbeck and Lakeside.

Somers Water District

Attorneys were contacted regarding the liability issue of Cody using an LCWSD vehicle when responding to a Somers Water & Sewer District (SWSD) call during normal working hours. The attorneys' recommendation was to have LCWSD bill SWSD a "loaded" hourly rate should Cody need to respond with a LCWSD truck during business hours. SWSD would be responsible for legal fees, should they occur.

The meeting adjourned at 4:50 p.m.

Respectfully submitted,

Beth Dotson, Secretary

(NEXT MEETING DATE IS TUESDAY, APRIL 19, 2016)